

## GPI Subgroup: Regulation and Standard-Setting Bodies (SSBs) 2018 Work Plan

### **Objective of the Subgroup:**

*The 2018 Work Plan of the GPI Regulation and SSBs Subgroup is organized around the Objectives (Activities) incorporated in the Subgroup's November 2017 Terms of Reference. It takes into consideration the expected results for the Subgroup under the 2017 Financial Inclusion Action Plan (FIAP).*

*In addition, planned activities continue to build on the Recommendations from Part VI of the GPI White Paper, "Global Standard-Setting Bodies and Financial Inclusion – The Evolving Landscape," released in March 2016 (2016 GPI White Paper).*

*The objectives may be summarized as follows:*

- *To pursue work under the two action areas in the 2017 FIAP that are most pertinent to the Subgroup: action areas 3 (related to SSBs) and 4 (related to financial sector assessments); and*
- *To support, in the area of regulation and standard setting, the overarching actions of the GPI under the FIAP, including: the 2018 GPI priorities under the Argentine G20 Presidency; the work of other GPI Subgroups (notably of the Markets and Payment Systems Subgroup in the area of regulation and standard setting); and the framing of and preparation for work to be undertaken during Japan's G20 presidency.*

### **Subgroup Structure**

- **Co-chairs (countries):** India, Indonesia, United Kingdom
- **Countries participating in subgroup work (non-G20 and G20):**
  - **G20:** Argentina, Australia, China, France, Germany, Italy, Mexico, Russia, Turkey, United States
  - **Non-G20:** Kenya, Peru, Philippines
- **Subgroup Implementing Partners:** Consultative Group to Assist the Poor (CGAP) (coordinating Implementing Partner), Alliance for Financial Inclusion (AFI), Better Than Cash Alliance (BTCA), International Finance Corporation (IFC), World Bank
- **Affiliated Partners:** Access to Insurance Initiative
- In addition, the Subgroup benefits from the support of, and supports, the Office of Her Majesty Queen Máxima of the Netherlands, the UN Secretary General's Special Advocate for Inclusive Finance for Development (UNSGSA) and Honorary Patron of the GPI. The Bill & Melinda Gates Foundation began participating in the Subgroup in 2017.

### **Key Outcomes**

The Regulation and SSBs Subgroup's 2018 Work Plan is built upon considerations laid out in the 2017 Subgroup Terms of Reference and updated Financial Inclusion Action Plan (FIAP). Financial technology (FinTech), innovation more broadly, and related developments call for ongoing

engagement to help position SSBs and country-level policy makers to keep pace. The SSBs confront, and will continue to confront, a growing range of crosscutting issues on which coordination and collaboration among them is required to harmonize the development and application of their standards and guidance; this calls for further joint work among the SSBs on issues of relevance to multiple SSBs to help countries balance the potentially competing policy objectives introduced by a broad financial inclusion agenda.

The Subgroup will continue to encourage progress towards greater ownership by the SSBs of financial inclusion, including evolving and formalizing over time the way in which the GPI works with the SSBs and the Financial Stability Institute (FSI), within the Bank for International Settlements (BIS). This will go hand in hand with support for financial inclusion-related activities in the work of the SSBs: crosscutting themes in the work of multiple SSBs of relevance to financial inclusion, but also the relevant work of individual SSBs.

This annual Work Plan takes into account the financial inclusion priorities of the Argentine G20 Presidency, as well as the crosscutting issues identified by the GPI for the engagement of all Subgroups.

**2017 FIAP Action Area 3.** Mainstream financial inclusion in the work of the global financial standard-setting bodies (SSBs) and other relevant global bodies while enhancing coordination and collaboration among them and increasing understanding of the interdependence of financial inclusion, stability, integrity, and consumer protection.

#### **1. Organization of the biennial GPI-FSI Conference on SSBs and Innovative Financial Inclusion (4<sup>th</sup> GPI-FSI Conference).**

The *Fourth GPI-FSI Conference on Global Standard-Setting Bodies and Innovative Financial Inclusion* is scheduled to take place at the Bank for International Settlements on 25–26 October 2018 and will focus on the theme “*Implication of FinTech and Other Regulatory and Supervisory Developments.*” The Fourth GPI-FSI Conference, which will be the cornerstone activity of the Subgroup in 2018, will be jointly convened and organized by FSI and the GPI. The agenda will focus on key developments in products, services and delivery platforms relevant to reaching financially excluded and underserved populations that are being driven by the adoption and innovative application of FinTech and innovation more broadly by both existing players and new entrants, as well as related developments in regulation and supervision of relevance to financial inclusion. Prepared with the active engagement of the global SSBs involved, the Conference will explore implications of crosscutting relevance to multiple SSBs and national authorities, as well as the responses of both to the new challenges and opportunities posed. These include the harnessing of technology in the service of regulation and supervision that enables financial inclusion, as well as new, more collaborative ways for financial authorities and innovative providers to interact. The Conference preparation process may include the production of one or more issues papers designed to frame these topics, taking into account the Observations and Recommendations of the 2016 GPI White Paper.

Preparation of the Fourth GPI-FSI Conference will be led by FSI and an ad hoc Conference Preparation Task Group composed of personnel from GPI Implementing Partners (particularly CGAP

and the World Bank Group), interested members of the GPI Subgroup on Regulation and SSBs, and FSI. The process of content development and broader Conference preparation will begin in January 2018 with the identification of the members of the ad hoc Task Group and the development of a detailed timetable and milestones document for the preparation of the Conference. (See notional timeline, attached.)

**2. Support to the UNSGSA in her engagement with the SSBs.** The Subgroup will continue to support the UNSGSA's engagement with the SSBs, including contributions to the organization of the anticipated Fifth High-Level Meeting of SSB Chairs and Secretaries General convened by the UNSGSA and the Chair of BCBS, maximizing synergies with the agenda and content of the Fourth GPI-FSI Conference.

**3. Digital Onboarding, Digital Identity and Customer Identification analytical paper (working title).**

This analytical paper will provide insights for country-level implementation of Principle 7 of the G20 High-Level Principles (HLPs) for Digital Financial Inclusion: "Facilitate Customer Identification for Digital Financial Services." Intended as a contribution to a planned "Policy Guide" called for under the Argentine Priorities Paper (Policy Guide), the work will build on existing work of the World Bank Group's ID4D program and explore the linkages between digital IDs, digital onboarding, and customer identification in the financial sector. The World Bank Group will lead the development of the analytical paper, with meaningful engagement of Subgroup members and Implementing Partners. The paper will state clearly that there is no intention to interpret the work of the SSBs or give guidance or instruction to them, as was done in the case with both the HLPs and "Effective Approaches" work with respect to HLPs 1-4.

**4. Contributions on regulation and standard setting relevant to other GPI activities.** These will include:

- The Policy Guide to be developed under the Argentine G20 Presidency (see contributions described above);
- Contributions to further planned work on the financial services needs of forcibly displaced persons (FDPs) via coordination and cooperation with the FDP Temporary Steering Committee;
- Work in close collaboration with other GPI Subgroups, particularly the Markets and Payment Systems Subgroup on policy guidelines and regulatory approaches, as well as the Temporary Steering Committee on Financial Inclusion for Forcibly Displaced Persons, and with other G20 groups, Implementing Partners and with non-G20 countries and the private sector, as appropriate;
- In collaboration with the Markets and Payment Systems Subgroup specifically, work with FATF and FSB through the FSB Remittance Task Force to follow up on potential actions to address the decline in correspondent banking and remittance provider's access to banking service; and
- Support to the Financial Consumer Protection and Financial Literacy Subgroup on relevant regulatory and supervisory issues (e.g. contributions to the Policy Guide on data privacy, customer protection, and cyber security).

**5. Continued regular consultation with SSBs to encourage and support greater ownership of financial inclusion and the pursuit relevant activities, both individually and collectively.**

The process of regular consultation with the SSBs will be continued via periodic GPFI SSBs Check-in Meetings, as well related activities in the development and preparation of the Fourth GPFI-FSI Conference.

To contribute to a better understanding of SSB activities relevant to financial inclusion and to identify opportunities for joint work, a rigorous tracking of SSB activities in relation to financial inclusion (notably, but not exclusively, in the area of FinTech and RegTech) will continue, updated semi-annually. A condensed version focused on completed activities and outputs, for dissemination beyond the group of SSBs active in this stock-taking process, is foreseen in 2018.

**FIAP Action Area 4.** Encourage effective and consistent incorporation of financial inclusion in financial sector assessments.

No specific activities under this Action Area are currently envisioned during 2018, beyond deepening the involvement of the International Monetary Fund (IMF) in the activities of the Subgroup and the GPFI more broadly. (The Financial Sector Assessment Program, jointly administered by the IMF and GPFI Implementing Partner the World Bank Group, constitutes an important potential subject of activity under FIAP Action Area 4, as detailed in the 2016 GPFI White Paper.)

**Timeline of Events and Outputs**

| Date                       | Event                            | Location     | Activities  |
|----------------------------|----------------------------------|--------------|---|
| 22 January 2018            | Check-in Meeting with the SSBs   | Basel        | Discussion of SSB work related to financial inclusion and FinTech: 2018 priorities; discussion of topics for the October 2018 GPIFI SSBs Conference |
| 6-7 February 2018          | GPIFI Workshop and Meeting       | Buenos Aires | Discussion of issues related to digitization and informality; discussion of various themes at GPIFI plenary   |
| 7-8 June 2018              | GPIFI Forum and Plenary Meetings | Buenos Aires | Discussion of SSB work; discussion of topics for the October 2018 GPIFI SSBs Conference   |
| June and/or September 2018 | Check-in Meeting with the SSBs   | Basel        | Focus on preparation of the October Conference  |
| September 2018             | Fifth High-Level Meeting (TBC)   | Basel        | Support for preparation   |
| 25-26 October 2018         | Fourth GPIFI-FSI Conference      | Basel        | Conference  |

| Topic/Work Stream  | Output  | Release Date  |
|--|---|---------------|
| Tracking of SSB activities relevant to financial inclusion | Semi-annual table of SSBs activities for the previous 12 months and the coming 12 months.   |               |
|  | Preparation of a condensed version of the tracking table for broader dissemination  | February 2018 |
|  | Mapping of crosscutting issues relevant to financial inclusion in the work of the SSBs and joint work (dissemination TBD)   | June 2018     |
| GPIFI-FSI Conference                                       | Issues Paper(s) for Conference  | Sept 2018     |
|  | Dissemination of results of the October Conference  | Dec 2018      |
| Support for SSB/global body specific activities            | TBD. Examples could include: (a) support for further work of the BCBS Basel Consultative Group's Financial Inclusion Workstream; and (b) contribution to the FSB Remittances Task Force; and (c) support for FATF FinTech work of relevance to financial inclusion. | TBD           |
|  | Contribution to the preparation of the Fifth High Level Meeting   |               |
|  | <i>Digital Onboarding, Digital Identity and Customer Identification analytical paper</i>  |               |
| Contributions to other GPIFI activities                    | Contributions on regulation and standard setting to Policy Guide developed under the Argentine G20 Presidency   | TBD           |
|  | Contributions to the Roadmap for sustainable and responsible financial inclusion of forcibly displaced persons under the leadership of the FDP TSC  |               |

**Annex/Attachment:**

Timeline and milestones for the preparation of the *Fourth GPIFI-FSI Conference on Global Standard-Setting Bodies and Innovative Financial Inclusion*, 25-26 October 2018

***Fourth GPFI-FSI Conference on Global Standard-Setting Bodies  
and Innovative Financial Inclusion:  
Implications of FinTech and Other Regulatory and Supervisory Developments***  
Bank for International Settlements, Basel, 25 – 26 October 2018

**Timeline and Milestones in Conference Preparation**

*[N/B: This Annex reflects expectations as of the GPFI Plenary of 7 February 2018. It will be continuously updated to reflect, inter alia, input from FSI and the to-be-constituted Conference Preparation Task Group.]*

**January:**

- First discussion with FSI on Conference preparation process (11 January) (v)
- Discussion of conference preparation process and conference topics with SSBs at 22 January meeting (v)
- Confirmation of 25-26 October dates with BIS General Manager Carstens's office (v)

**February**

- Confirmation of Conference preparation process
- Identification of key speakers and outreach; confirmation
- Invitation list, working with SSB secretariats
- Informal outreach to key participants (SSB chairs, GPFI Co-chairs, Implementing Partners, experts, any private sector, etc.)
- Identification of session topics / first cut of conference agenda
- First call of Conference Preparation Task Group (further calls to be scheduled in function of milestones in preparation process)
- Conference Concept Note
- Decision on whether there will be a conference video

**March**

- Framing of sessions
- Identification of issues paper(s)
- invitation list, as complete as possible
- Save the date letter sent out
- Continuing outreach to key participants

**April**

- Development of agenda with short session descriptions
- Development of look of conference materials

**May**

- Invitation letter drafted
- Invitations sent out

**June**

- Check-in Meeting with SSBs, discussion of Conference session preparation
- Development of draft issues paper(s)
- Follow-up mail to invitees
- Specific follow-up on invitees
- Confirmation of materials for conference
- Review of logistics with FSI

**July**

- Follow-up and further tasks as required prior to summer absences

**August**

- First draft of press release
- Drafts of conference materials
- (Material for any links with GPI processes)

**September**

- Final agenda
- Final versions of any session materials, including issues paper(s), PowerPoint presentations
- Call with GPI Conference Preparation Working Group
- Final confirmation of participation

**October**

- Final preparations
- Final deadline for documents for reproduction (October 5, TBC)
- Final version of press release

**November**

- Any dissemination activities